Ernie Fletcher Governor

LaJuana S. Wilcher, Secretary Environmental and Public Protection Cabinet

Christopher L. Lilly Commissioner Department of Public Protection

Joe Burns Kentucky Rural Water Association Post Office Box 1424 3251 Spring Hollow Avenue Bowling Green, KY 42102-1424



Commonwealth of Kentucky
Public Service Commission

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June 9, 2006

Mark David Goss Chairman

> Teresa J. Hill Vice Chairman

> Gregory Coker Commissioner

RE: Case No. 2006-00184

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Beth O'Donnell Executive Director

BOD/jc Enclosure



Joe Burns Kentucky Rural Water Association Post Office Box 1424 3251 Spring Hollow Avenue Bowling Green, KY 42102-1424

Donta Evans

Superintendent

P. O. Box 726 London, KY 40743

Wood Creek Water District 1670 Daniel Boone Parkway, East Larry G. Byrson 318 West Dixie Street London, KY 40741

John Horne Division of Water Frankfort Office Park 14 Reilly Road Frankfort, KY 40601 Randal Corry General Manager Eastern Rockcastle Water Association Inc. P.O. Box 540 Mt. Vernon, KY 40456

Curt McHargue Mayor Livingston Water Works Livingston City Hall Livingston, KY 40445

Honorable David Edward Spenard Assistant Attorney General Office of the Attorney General Utility & Rate Intervention Division 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO WOOD CREEK WATER)
DISTRICT'S PROPOSED TERMINATION OF) CASE NO.
WHOLESALE WATER SERVICE TO THE CITY OF) 2006-00184
LIVINGSTON FOR NONPAYMENT OF BILLS)

ORDER

This matter is before the Commission as a result of a Notice of Termination of Wholesale Water Service issued by the Wood Creek Water District ("Wood Creek") to the city of Livingston ("Livingston") for nonpayment of outstanding invoices.

On May 4, 2006, the Commission entered an Order preventing the termination of Wood Creek's wholesale water supply to Livingston until such time as a hearing could be held in the matter. Said hearing was held before the Commission on May 23, 2006 and, after a brief recess, it was announced that Wood Creek and Livingston had reached an agreement.¹ On May 31, 2006, the Commission received another Notice of

¹ The terms of this agreement were:

^{1.} Livingston would pay to Wood Creek the sum of \$10,194.88 on or before May 26, 2006 in full satisfaction of its outstanding balance.

^{2.} Livingston would henceforth remain current in the payment of its bills for water service that Wood Creek provides.

^{3.} Wood Creek and Livingston would negotiate during the next 6 months on the transfer of Livingston's water distribution and sewer facilities to Wood Creek.

^{4.} Livingston would allow Wood Creek access to its financial records and documents and permit Wood Creek to make physical inspection of its water and sewer facilities.

^{5.} Nothing in the agreement would obligate Wood Creek to purchase any facilities from Livingston or Livingston to sell any facilities to Wood Creek.

Termination of Wholesale Water Service issued by Wood Creek to Livingston, indicating

that Livingston had failed to satisfy the terms of the May 23 agreement.

By Order dated June 2, 2006, the Commission scheduled a hearing for June 13,

2006 for the purpose of presenting evidence and argument on the proposed termination

of water service to Livingston. Wood Creek has now advised, however, that Livingston

has tendered payment of its delinquent bill and that Wood Creek does not intend to

terminate Livingston's service. Based upon the most recent representations of Wood

Creek, the Commission finds that good cause exists to cancel the June 13, 2006

hearing.

IT IS THEREFORE ORDERED that the June 13, 2006 hearing in this matter is

cancelled.

Done at Frankfort, Kentucky, this 9th day of June, 2006.

By the Commission

ATTEST:

Executive Director